



## Goods Movement Program Diesel-Powered Truck Projects Year 4 Program - Fact Sheet

The Proposition 1B: Goods Movement Emission Reduction Program (GMP, Program) is a partnership between the California Air Resources Board (ARB) and local agencies to quickly reduce diesel emissions and health risk from freight movement along California trade corridors. Projects funded under this Program must achieve early or extra emission reductions not otherwise required by law or regulation. The Bay Area Air Quality Management District (District) will solicit projects in 2013 for the Year 4 Program.

### When will applications be available?

**The District will accept applications for all project categories during two solicitation periods: August 26, 2013 through October 10, 2013, and October 11, 2013 through December 12, 2013.**

### How can I apply?

**Truck replacement projects must apply online on the District's website at [www.baaqmd.gov/goods](http://www.baaqmd.gov/goods).**

Assistance is available if you are unable to apply online (see website for details). Applications and supporting documentation must be received by the District by close of business **on the last day of each solicitation period (October 10 & December 12, 2013)**. To apply for other project types, contact our office (see below).

### What are the Diesel-Powered Truck Project Specifications?

See the Eligible Truck Projects table (below) for a summary of the program requirements. Additional information is available on the District's website.

### How will projects be selected?

District staff will evaluate applications and submit a draft ranklist to ARB for competitive ranking based on estimated emission reductions and cost-effectiveness. Applicants may request a reduced funding amount to increase a proposed project's competitiveness. Ranking will be done in the following order: electric truck projects, small-fleet projects, 1<sup>st</sup>-solicitation large-fleet projects then all remaining projects.

### How much funding is available and for what types of projects?

Currently, the Air District is approved for up to \$14.5 million in project funding. If additional funding is added during the Year 4 funding cycle, this will be assigned to waiting projects in rank order. Funding is available to replace non-port goods movement trucks with diesel, diesel-hybrid, natural gas or zero-emissions trucks, for 2-for-1 truck replacements or 3-way truck exchanges, and for electrification infrastructure for truck stops or distribution centers. The District will accept proposals for MY2013 engine repowers on a case-by-case basis.

### Where can I find more information?

Visit the website [www.baaqmd.gov/goods](http://www.baaqmd.gov/goods). If you have questions about the Program or the application process, contact District staff at (415) 749-4994 (option 1) or [grants@baaqmd.gov](mailto:grants@baaqmd.gov).

### Useful Resources:

- BAAQMD Goods Movement Program website: [www.baaqmd.gov/goods](http://www.baaqmd.gov/goods)
- ARB Goods Movement Emission Reduction Program website (including to view or print the complete 2013 Program Guidelines): <http://www.arb.ca.gov/bonds/gmbond/gmbond.htm>
- ARB Truckstop website (including information about loans and ways to improve fuel efficiency): <http://www.arb.ca.gov/msprog/truckstop/truckstop.htm>

## Eligible Truck Projects (summary of project specifications)

<p><b>General Requirements</b> (applicable to <u>all</u> project options)</p>	<p><b>Diesel Trucks shall:</b></p> <ul style="list-style-type: none"> <li>• haul goods that are for sale or purchase more than 50% of the time and travel within the Bay Area air basin for no less than 10% of annual operations</li> <li>• have manufacturer GVWR 19,501 lbs or greater (verified at pre-inspection)</li> <li>• have operated at least 75% of the time in CA over each of the previous 2 years with a minimum of 20,000 miles traveled in each year (10,000 miles for Class 6 trucks)</li> <li>• have been registered with CA DMV for the past two years (documentation required for application)</li> </ul> <p><b>Equipment owner shall:</b></p> <ul style="list-style-type: none"> <li>• Sign, with the Air District, a legally-binding grant agreement (contract) including project milestone and completion deadlines, and commitment to a project life of five (5) years or 500,000 miles (for truck replacement).</li> <li>• Comply with all Program requirements during the project life.</li> <li>• Commit to 100% CA-only operation (or 90% CA-only operation if selected at the time of application) and CA DMV registration (or CA-based IRP for 90% option only) for the duration of the project life. Dual plates (except CA and Mexico dual plating) and out-of-state registration are prohibited for existing and replacement trucks after application is submitted.</li> <li>• Commit to more than 50% of travel within the four major CA trade corridors and for the duration of the project life.</li> <li>• Not order any equipment intended for a proposed project prior to the District's publically posting the approved ranklist on its website (showing that specific project's ranking); and not purchase or place into service any equipment for the project until receiving a written start-work letter from the District.</li> <li>• Agree to accept an on-board electronic monitoring unit at any time during project life.</li> <li>• Agree to equipment inspections and project performance audits and comply with record-keeping, reporting, and audit requirements of the Program.</li> <li>• If purchasing used truck for a funded project, document at post-inspection a functioning odometer with a reading of less than 500,000 miles (less than 250,000 miles for Class 7 projects; there is no used truck option for Class 6 projects).</li> <li>• Properly maintain project equipment in good operating condition and according to manufacturer's recommendations; obtain a minimum 1-year or 100,000 mile major component engine warranty and maintain comprehensive insurance on replacement equipment for the duration of the project.</li> <li>• Maintain compliance with ARB Truck &amp; Bus Regulation and all other ARB air quality regulations for the entire fleet containing the project equipment.</li> <li>• Submit annual reports to the District for the life of the project</li> </ul>
<p><b>Ineligible Equipment</b></p>	<ul style="list-style-type: none"> <li>• Trucks registered outside CA or dual-plated trucks (except for CA-Mexico dual plates for trucks involved in cross-border trade).</li> <li>• Salvaged trucks unable to document same-owner CA registration for 24 months</li> <li>• Trucks that change ownership between application submission date and date of final grant award payment for the funded project.</li> <li>• Trucks subject to ARB's drayage truck regulation.</li> <li>• Trucks subject to ARB's public and utility fleet rule.</li> <li>• Trucks subject to ARB's solid waste collection vehicle rule.</li> <li>• Trucks subject to ARB's diesel cargo handling equipment rule.</li> </ul>
<p><b>Modifying an application</b></p>	<p>Equipment owners may change the equipment project option or lease-to-own program participation after the local agency solicitation period has closed if permitted by the District and subject to the following requirements:</p>

	<ul style="list-style-type: none"> <li>• The change must result in a funding amount equal to or less than the amount that was requested in the original application.</li> <li>• The change must result in a calculated project cost-effectiveness equal to or greater than the project listed in the original application.</li> <li>• The change must result in the project remaining above the funding line on the ranked list for that project's solicitation period.</li> </ul> <p>Unless specifically allowed by Program Guidelines, equipment owners cannot substitute project equipment or change equipment ownership from that identified on the application between the date of application and date of final grant award payment for the funded project. Failure to report project changes in a timely manner may result in project cancellation and imposition of non-performance penalties as applicable (see below).</p>
<p><b>Option (2):</b></p> <p><b>Replacement Requirements</b></p> <p><i>Applications for Truck Replacement projects must be made online through the District's website <a href="http://www.baaqmd.gov/goods">www.baaqmd.gov/goods</a> (assistance available, see website for details)</i></p>	<p>Partial funding to replace one or more diesel-powered trucks with eligible existing engines (see options below) with one or more cleaner diesel, alternative fuel or zero-emissions trucks. Project funding (below) is based on the replacement engine duty cycle (assumed as HHD for Class 8 trucks and MHD for Class 6-7 trucks) and new or used status of replacement truck having manufacturer-rated Gross Vehicle Weight Rating (GVWR) as follows: Class 8 (33,001 lbs or greater), Class 7 (26,001 lbs – 33,000 lbs) and Class 6 (19,501lbs -26,000 lbs)*. Any hybrid or electric engine in the replacement truck must meet intended service rating of HDO and follow CARB Heavy Duty Hybrid Electric Vehicle Certification Procedure.</p> <p><b><u>Eligible Projects for Non-Port Trucks (also called “On-Road” or Other Truck):</u></b></p> <ul style="list-style-type: none"> <li>• Class 6, 7 or 8 (GVWR 19,501 lbs or greater) truck with MY 2006 or older engine</li> <li>• Replacement engines for all projects shall meet or exceed 2010 emissions standards (0.20 g/bhp-hr or cleaner NOx (FEL and CERT values) and 0.01 g/bhp-hr or cleaner PM (CERT values))</li> <li>• All projects purchasing new MY2013 or newer equipment with zero-emissions engine may add AB118 grants (as available) as match portion</li> <li>• If the existing truck received a prior Prop 1B/GMP grant to retrofit the engine, the grant award will be reduced by the amount of the prior award (up to \$5,000).</li> <li>• The old/existing truck for all projects shall be scrapped</li> </ul> <p><b>Class 8 truck:</b></p> <ul style="list-style-type: none"> <li>• <b>\$50,000</b> for a new replacement truck with a MY2013 or newer engine</li> <li>• <b>\$40,000</b> for a used replacement truck with a MY2010 or newer engine</li> </ul> <p><b>Class 7 truck:</b></p> <ul style="list-style-type: none"> <li>• <b>\$35,000</b> for a new or used replacement truck with a MY2010 or newer engine</li> </ul> <p><b>Class 6 truck:</b></p> <ul style="list-style-type: none"> <li>• <b>\$25,000</b> for a new replacement truck with a MY2013 or newer engine</li> </ul> <p><b><u>2-for-1 Truck Replacement:</u></b></p> <p>Replacement of two eligible trucks for one new truck. The funding amount is based on the highest weight classification of the two existing trucks, or the weight classification of the new truck, whichever is lower. For example, a project replacing one Class 6 and one Class 8 truck with a Class 7 truck would be awarded a maximum of \$35,000. Class 7 &amp; 8 2-for-1 projects require minimum 20,000 VMT at time of ranking (2-for-1 projects with only Class 6 trucks require 10,000 VMT).</p> <p>*Exceptions to the assumed “weight-class plus engine duty-cycle” requirement for truck replacement projects may be considered if a vocational need is documented and the exception is approved by the District prior to equipment order; funding will be based on the amount assigned to the lowest weight class (above). Exceptions to the requirement for old/existing and replacement trucks to have the same GVWR may be considered for Class</p>

	7 or Class 8 truck projects only as long as both trucks have an HHD engine; funding will be based on the amount assigned to the lowest weight class (above).
<p><b>Option (4):</b></p> <p><b>Three-way Truck Exchange Requirements</b></p> <p><i>3-way truck exchange project applications are not available online and must be made directly to District staff – contact our office</i></p>	<p>Replace an eligible truck with MY1998-2006 retrofitted (Level 3 PM) engine with a truck with engine meeting 2010 emissions standards and scrap a MY1993 or older eligible truck.</p> <p><b><u>How it works:</u></b></p> <p><b>Truck A:</b> Eligible diesel truck with MY1998-2006 engine and Level 3 PM retrofit,  <b>Truck B:</b> Eligible diesel truck with MY1993 or older engine with CA Truck &amp; Bus Reg. compliance until December 31, 2015 or later,  <b>Truck C:</b> Eligible truck (diesel or alternative fuel) that meets or exceeds 2010 emissions standards.</p> <ol style="list-style-type: none"> <li>1. Replace an eligible truck that has a MY1998-2006 engine (Truck A) with a diesel or alternative fuel truck (Truck C) whose engine meets or exceeds 2010 emissions standards (0.20 g/bhp-hr or cleaner NOx and 0.01 g/bhp-hr or cleaner PM).</li> <li>2. Truck A is retrofitted with an ARB-verified Level 3+ diesel particulate filter that reduces diesel PM by 85% or more.</li> <li>3. Scrap a MY1993 or older diesel truck (Truck B) and replace with Truck A.</li> </ol> <p><b><u>Funding Options (maximum grant award amounts):</u></b></p> <ol style="list-style-type: none"> <li>1. \$50,000 for new Truck C if Truck A is Class 8</li> <li>2. \$40,000 for used Truck C if Truck A is Class 8</li> <li>3. \$35,000 for new or used Truck C if Truck A is Class 7</li> <li>4. \$25,000 for new Truck C if Truck A is Class 6 (no used truck option)</li> </ol> <p><b><u>Requirements</u></b></p> <ul style="list-style-type: none"> <li>• Truck C must be the same weight class as Truck A</li> <li>• Odometer reading of Truck C must be less than 500,000 miles (250,000 miles for Class 7, no used option for Class 6) at the time of post-inspection</li> <li>• Truck B may be any eligible weight class (Class 6-8)</li> </ul> <p>Truck C shall be purchased and operational (post inspection completed, except scrappage) prior to a regulatory requirement for that technology or level of emissions control under applicable provisions of any adopted rule for in-use trucks. ARB will post and update information on the Program website describing deadlines for the applicable project option.</p> <p>In addition to the applicable General Requirements listed previously, the original owner of Truck A and new owner of new Truck C shall:</p> <ul style="list-style-type: none"> <li>• Transfer ownership (if applicable) of Truck A to the owner of old Truck B and new owner of Truck A must sign a performance contract with the District.</li> <li>• Commit to a project life of 5 years or 500,000 miles, whichever comes first, for Truck C.</li> <li>• Commit to 90% or 100% CA-only operation - selected at the time of application.</li> <li>• Obtain a minimum of 1-year or 100,000-mile major component engine warranty for Truck C that covers parts and labor (for used truck).</li> <li>• Demonstrate that specified MY1993-1998 diesel engines subject to required software upgrades (i.e., chip reflash) have completed the upgrade for Truck A.</li> </ul> <p>In addition to the applicable General Requirements listed previously, the original owner of old Truck B and new owner of retrofit Truck A shall scrap Truck B.</p>
<p><b>Option (3):</b></p> <p><b>Repower Requirements</b></p>	<p>Partial funding to repower a truck with a new MY2013 or newer engine that meets 2010 emissions standards (maximum grant awards shown below).</p> <ul style="list-style-type: none"> <li>• Class 7 or Class 8 truck w/2006 or older engine with 2013+ HHD engine – \$20,000</li> <li>• Class 6 or Class 7 trucks w/2006 or older engine with 2013+ MHD engine – \$10,000</li> </ul> <p>Program-funded engine shall be installed and operational (post-inspection completed,</p>

<p><i>Repower project applications are not available online - contact our office to apply</i></p>	<p>except scrappage) prior to a regulatory requirement for that technology or level of emissions control under the best available control technology provisions of any adopted rule for in-use trucks. ARB will post and update information on the Program website describing operational deadlines for the applicable project option.</p> <p>Applications for engine repower projects require the equipment owner to submit a signed quotation dated within 30 days of the application date from a certified engine dealer itemizing parts and labor and verifying that repower of the existing truck is technically feasible and that the project can be completed within the Program deadlines.</p>
<p><b>Payments</b></p>	<p>Payment of grant awards is made on a reimbursement basis, after: the submission of invoices, satisfactory post-inspection of replacement equipment (showing equipment is operable and eligible) and surrender of old/existing equipment to a District-Certified Dismantler, in accordance with the Program Guidelines. Interim payments may be considered for large projects and payments may be made to vendors or dealers if requested by the equipment owner and if allowed by the Program Guidelines.</p>
<p><b>Non-performance &amp; Remedies</b></p>	<p>Non-performance occurs when the conditions of a ranked or approved project change in violation of Program requirements. Remedies vary based on the stage of project completion and include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Cancellation of the project or termination of any executed grant agreement.</li> <li>• Banning a specific piece of equipment from participating in State incentive programs.</li> <li>• Banning an equipment owner from participating in State incentive programs.</li> <li>• Other fiscal penalties against equipment owners based on the severity of the non-performance.</li> <li>• Recovery of all or a portion of grant awards that have been paid for projects.</li> </ul>

*\* This is a summary of the program requirements and not a complete list of requirements.*